TRANSMITTAL LETTER			Case No. 4672/369
Serial No. 10/726,851	Filing Date December 2, 2003	Examiner Not yet assigned	Group Art Unit Not yet assigned
Inventor(s) Brady et al.			
Title of Invention NETWORK AND METHOD FOR PROVIDING OPTION SPREAD INDICATIVE QUOTES			

TO THE COMMISSIONER FOR PATENTS

Transmitted herewith is a Petition Under 37 CFR §1.102(a) & (d) To Make Application Special; Information Disclosure Statement (in duplicate); Form PTO-1449; 57 Cited References (A1-A57); Petition Fee; Return Postcard .

☐ Small entity status of this application under 37 CFR § 1.27 has been established by verified statement previously submitted.

☐ Applicant claims small entity status. See 37 CFR1.27.

☐ Petition for a _____month extension of time.

☐ No additional fee is required.

☐ The fee has been calculated as shown below:

	Claims Remaining After Amendment		Highest No. Previously Paid For	Present Extra	Small Entity Rate	Small Entity Add'l Fee	or	Other Than Small Entity Rate	Other Than Small Entity Add'l Fee
Total		Minus			x $9 =			x $18 =	
Indep.		Minus			x 43 =			x $86 =	
First Presentation of Multiple Dep. Claim					+ $145 =			+ $290 =	
					Total add'l fee	$		Total add'l fee	$

☐ Please charge Deposit Account No. 23-1925 (BRINKS HOFER GILSON & LIONE) in the amount of $_____. A duplicate copy of this sheet is enclosed.

☒ A check in the amount of $130.00 to cover the petition fee is enclosed.

☒ The Commissioner is hereby authorized to charge payment of any additional filing fees required under 37 CFR § 1.16 and any patent application processing fees under 37 CFR § 1.17 associated with this communication or credit any overpayment to Deposit Account No. 23-1925. A duplicate copy of this sheet is enclosed.

☒ I hereby petition under 37 CFR § 1.136(a) for any extension of time required to ensure that this paper is timely filed. Please charge any associated fees which have not otherwise been paid to Deposit Account No. 23-1925. A duplicate copy of this sheet is enclosed.

Respectfully submitted,

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Date: 3-31-04 Signature: _____

CERTIFICATE OF MAILING

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3-31-04
Date of Deposit

James L. Katz, Reg. No. 42,711
Name of Applicant, Assignee or Registered Representative

Signature

3-31-04
Date of Signature

Our Case No.: 4672/369

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	
Brady et al.	Examiner: Not yet assigned
Serial No.: 10/726,851	Group Art Unit No.: Not yet assigned
Filing Date: December 2, 2003	
For: NETWORK AND METHOD FOR PROVIDING OPTION SPREAD INDICATIVE QUOTES	

PETITION UNDER 37 CFR § 1.102(a) & (d) TO MAKE APPLICATION SPECIAL

Commissioner for Patents
Alexandria, VA 22313-1450

Dear Sir:

This is a petition under 37 CFR §1.102(a) & (d) and MPEP § 708.02 (VIII), to make the above-identified application "special" due to Applicants provision of a pre-examination search.

04/05/2004 NKOCHA1 00000004 10726851

01 FC:1460 130.00 OP

I. MPEP § 708.02 (VIII)(A)

Pursuant to MPEP § 708.02 (VIII)(A) a check for $130, representing the petition fee under 37 CFR § 1.17(h), §1.102(d), is included herewith.

II. MPEP § 708.02 (VIII)(B)

Pursuant to MPEP § 708.02 (VIII)(B), all of the claims of the above identified application are directed to a single invention. If the Office determines that all of the claims are not obviously directed to a single invention, Applicants will make an election without traverse as a prerequisite to the grant of special status.

III. MPEP § 708.02 (VIII)(C)

Pursuant to MPEP § 708.02 (VIII)(C), a pre-examination search has been made in the above identified application.

A. FIELD OF SEARCH

The search of the above features was conducted in the following areas:

1. Classification search

Class	Subclasses	Description
705/		**DATA PROCESSING: FINANCIAL, BUSINESS PRACTICE, MANAGEMENT, OR COST/PRICE DETERMINATION**
	1	AUTOMATED ELECTRICAL FINANCIAL OR BUSINESS PRACTICE OR MANAGEMENT ARRANGEMENT
	35	. Finance (e.g., banking, investment or credit)
	36	.. Portfolio selection, planning or analysis
	37	.. Trading, matching, or bidding

B. RESULTS OF SEARCH

2. References developed as a result of search:

U.S. Patent No.	Inventor
5,924,082	Silverman
5,950,176	Keiser et al.

6,236,972 B1	Shkedy
6,317,727 B1	May
6,321,212 B1	Lange
6,347,307 B1	Sandhu et al.
6,421,653 B1	May
6,505,174 B1	Keiser et al.
6,618,707 B1	Gary

U.S. Patent Application Publication	Inventor
2001/0034695 A1	Wilkinson
2001/0042036 A1	Sanders
2001/0044771 A1	Usher et al.
2002/0002530 A1	May
2002/0016760 A1	Pathak
2002/0099651 A1	May
2002/0116317 A1	May
2002/0128955 A1	Brady et al.
2002/0138390 A1	May
2002/0156719 A1	Finebaum et al.
2002/0169703 A1	Lutnick et al.
2002/0174055 A1	Dick et al.
2003/0004853 A1	Ram et al.
2003/0023536 A1	Hollerman et al.
2003/0028476 A1	Jenkins et al.
2003/0033212 A1	Sandhu et al.
2003/0061148 A1	Alavian
2003/0083978 A1	Brouwer
2003/0093360 A1	May
2003/0097328 A1	Lundberg et al.
2003/0101125 A1	McGill et al.
2003/0115128 A1	Lange et al.
2003/0216932 A1	Foley
2003/0220868 A1	May

Websites

"Combining Networks Intelligently- Case Study," <http://www.expresscomputeronline.com/cgi-bin/ecprint/MasterPFP.cgi?doc=>

"Electronic Trading> Electronic Trading Newsflashes," <http://www.wallstreetandtech.com/showArticle.jhtml?articleID=14706752>

"Electronic Trading> Electronic Trading Newsflashes," <http://www.wallstreetandtech.com/showArticle.jhtml?articleID=16506467>

"Orc Software,"
<http://www.orcsoftware.com/Products/ExNetPIPNetwork.htm>

"OTC Distribution,"
<http://www.sungard.com/products_and_services/stars/panorama/solutions/panaramaotcdistribution.htm>

"Silicon Valley Biz Ink: The voice of the valley economy,"
<http://biz.yahoo.com/prnews/031124/nym103_1.html>

"Trading Technologies International, Inc./The X_TRADER Platform,"
<http://www.tradingtechnologies.com/blue_xtrader.html

Other References

"onExchange Selects Exodus to Host Online Derivatives Exchange; Leading Online Derivatives Exchange Optimizes Network Performance by Selecting Leader in Complex Internet Hosting", Business Wire, November 7, 2000

"e-Finance: Banks Plan Trading Network for Dollars 52 Trillion Derivatives", Guardian, April 11, 2000

"Leading Derivative Dealers Announce Swapswire – A Pioneering Interest Rate Derivatives Electronic Dealing Network", Business Wire, April 10, 2000

"Electronic Derivatives Exchanges: Implicit Mergers, Network Externalities, and Standardization. (Futures Markets in the 21st Century)", Quarterly Review of Economics and Finance, Vol. 35, No. 2, page 163, Summer 1995

"Derivatives Drive New Network (Special Advertising Section: Global Finance & Investment)", Barron's, Vol. 71, No. 44, page 36, November 4, 1991

"SURVEY- DERIVATIVES 2000: Working Towards a Seamless Link: GLOBAL PROTOCOL by Arkady Ostrovsky: A Project Aimed at Automating the Flow of Information Across the Entire Derivatives Network Will Deal Initially Interest Rate Swaps, With Other Products Being Incorporated Into the Standard Over Time", Financial Time UK, June 28, 2000

"Creditex Widens Access (Internet-Based Credit Derivatives Trading Network Creidtex Introduces Wireless Access to its Online Trading Room)", Financial News, May 29, 2000

"Morgan Buying Into Network for On-Line Security Trades (JP Morgan & Co to Acquire a 20% Interest in Archipelago Holdings LLC, Dollar Amount Invested Not Disclosed; Morgan Announced Earlier This Week That it and Price-Waterhouse- Coopers had Developed and Launched a Protocol to Support Derivatives Trading Over the Internet", American Banker, Vol. 164, No. 111, Page 1, June 11, 1999.

IV. MPEP § 708.02 (VIII)(D)

Pursuant to MPEP § 708.02 (VIII)(D), one copy of each of the references are made of record by Applicants' Information Disclosure Statement, filed herewith.

V. MPEP § 708.02 (VIII)(E)

Pursuant to MPEP § 708.02 (VIII)(E), a detailed discussion of the above disclosed references which points out, with the particularity required by 37 C.F.R. § 1.111(b) and (c), how the claimed subject matter is patentable over the disclosed references follows:

A. Summary of References

1. 5,924,082 Silverman

U.S. Patent No. 5,924,082 was filed on June 7, 1995 and issued on July 13, 1999 and relates to:

> A negotiated matching system includes a plurality of remote terminals associated with respective potential counterparties, a communications network for permitting communication between the remote terminals, and a matching station. Each user enters trading information and ranking information into his or her remote terminal. The matching station then uses the trading and ranking information from each user to identify transactions between counterparties that are mutually acceptable based on the ranking information, thereby matching potential counterparties to a transaction. Once a match occurs, the potential counterparties transmit negotiating messages to negotiate some or all terms of the transaction. Thus, the

negotiated matching system first matches potential counterparties who are acceptable to each other based on trading and ranking information, and then enables the two counterparties to negotiate and finalize the terms of a transaction.

2. 5,950,176 Keiser et al.

U.S. Patent No. 5,950,176 was filed on March 25, 1996 and issued on September 7,1999 and relates to:

A method, apparatus, and article of manufacture for a computer-implemented financial management system that permits the trading of securities via a network. A server computer receives buy and sell orders for derivative financial instruments from a plurality of client computers. The server computer matches the buy orders to the sell orders and then generates a market price through the use of a virtual specialist program executed by the server computer. The virtual specialist program responds to an imbalance in the matching of the buy and sell orders.

3. 6,236,972 B1 Shkedy

U.S. Patent No. 6,236,972 was filed on December 21, 1998 and issued on May 22, 2001 and relates to:

A method and device for using a computer to facilitate a transaction of secondary market shares of an investment company such as a mutual fund between a buyer and a seller, having the steps of: a customer determining the mutual fund to be traded receiving a schedule of fees from the central controller, the customer selecting the class of shares and inputting the quantity to be traded, the customer selecting the order type and adding any special instructions. The customer then submits the order to the central controller. The central controller will match buyers and sellers and determine which orders were executed. For all executions, the central controller will provide the seller with payments and the buyer with shares in the selected mutual fund.

4. 6,317,727 B1 May

U.S. Patent No. 6,317,727 was filed on October 12, 1998 and issued on November 13, 2001 and relates to:

A credit monitoring system in an electronic trading system forms a complex check to determine if two particular counterparties will except

each other for a particular trade based upon their respective predefined credit preferences. In accordance with an embodiment, credit preferences imputed by each counterparty with regard to the other counterparty are referenced to determine the trade eligibility of either party with respect to the other for a particular financial transaction instrument. Indication of whether a counterparty can enter into the proposed trade is conveyed to the respective trader, preferably using a color coding scheme in which various colors represent the relevant credit status with regard to the viewing trader. The complex check performed by the system may be embodied in a simple yes/no statement, in terms of maturity of a particular financial instrument, or in terms of a risk quotient (i.e., risk equivalent or RQ) initially determined by the system, though modifiable by the trader.

5. 6,321,212 B1 Lange

U.S. Patent No. 6,321,212 was filed on November 24, 299 and issued on November 20, 2001 and relates to:

Methods and systems for trading and investing in groups of demand-based adjustable-return contingent claims, and for establishing markets and exchanges for such claims. The advantages of the present invention, as applied to the derivative securities and similar financial markets, include increased liquidity, reduced credit risk, improved information aggregation, increased price transparency, reduced settlement or clearing costs, reduced hedging costs, reduced model risk, reduced event risk, increased liquidity incentives, improved self-consistency, reduced influence by market makers, and increased ability to generate and replicate arbitrary payout distributions, In addition to the trading of derivative securities, the present invention also facilitates the trading of other financial-related contingent claims; non-financial-related contingent claims such as energy, commodity, and weather derivatives; traditional insurance and reinsurance contracts; and contingent claims relating to events which have generally not been readily insurable or hedgeable such as corporate earnings announcements, future semiconductor demand, and changes in technology. A preferred embodiment of a method of the present invention includes the steps of (a) establishing a plurality of defined states and a plurality of predetermined termination criteria, wherein each of the defined states corresponds to at least one possible outcome of an event of economic significance; (b) accepting investments of value units by a plurality of traders in the defined states, and (c) allocating a payout to each investment upon the fulfillment of predetermined termination criteria.

6. 6,347,307 B1 Sandhu et al.

U.S. Patent No. 6,347,307 was filed on June 13, 2000 and issued on February 12, 2002 and relates to:

> A system and method that enables users, such as institutional investors and financial institutions, to engage in capital market transactions, including the trading of Over-the-Counter financial products, via the Internet (including the World Wide Web). The system includes a variety of servers, applications, and interfaces that enable users to interactively communicate and trade financial instruments among one another, and to manage their portfolios. Interactive communications supported by the system include: requesting price quotes, monitoring and reviewing quote requests, issuing price quotes, monitoring and reviewing price quotes, negotiation between users, acceptance of price quotes, reporting, portfolio management, analysis of financial information and market data, calendaring, and communications among users and/or system administrators, including e-mail, chat, and message boards. The present invention also supports communications with the server side in an automated manner via an automated processor. Such automated communications enable connectivity with users' internal, back-end systems to execute automated, straight-through processing, including transaction pricing, payment scheduling and journaling, derivatives trading, trade confirmation, and trade settlement. Such communications are facilitated using a novel XML-based syntax (FinXML.TM.) and XSL-based processing language (FinScript.TM.). FinXML provides a standard data interchange language for capital market transactions and supports a broad set of elements and attributes that represent a wide variety of financial transactions, reference data, and market data. The common description of the FinXML syntax can be used for all aspects of straight-through-processing, including deal creation, confirmation, settlement, payment, risk management, and accounting.

7. 6,421,653 B1 May

U.S. Patent No. 6,421,653 was filed October 12, 1998 and issued on July 16, 2002 and relates to:

> An internet-protocol based anonymous trading system which enables traders to identify bids and offers which they are eligible to trade based upon a color coded methodology which gives the trader credit preference information about the potential counterparty while still maintaining the anonymity of the potential counterparty. To that end, each bid or offer is prescreened against all possible counterparties' credit information in the

system and each counterparty sees a unique color coded trading interface based upon their particular credit preference combinations and the others in the system. The system then shows all prices in the system, and the color-coding tells the trader which prices he is able to trade, and also shows him the full depth of the market, including those the trader is unable to trade.

8. 6,505,174 B1 Keiser et al.

U.S. Patent No. 6,505,174 was filed on November 2, 1998 and issued on January 7, 2003 and relates to:

A method, apparatus, and article of manufacture for a computer-implemented financial management system that permits the trading of securities via a network. A server computer receives buy and sell orders for derivative financial instruments from a plurality of client computers. The server computer matches the buy orders to the sell orders and then generates a market price through the use of a virtual specialist program executed by the server computer. The virtual specialist program responds to an imbalance in the matching of the buy and sell orders.

9. 6,618,707 B1 Gary

U.S. Patent No. 6,618,707 was filed on November 2, 1999 and issued on September 9, 2003 and relates to:

An automated exchange which is provided for matching incoming orders for the purchase or sale of financial instruments, such as options contracts, with previously received orders. The exchange allocates the matching of orders first to fill customer orders and then to fill professional orders on a pro rata basis. A primary market maker is given preference over other market professionals. Market professionals that enter larger orders into the book receive a proportionally larger portion of the incoming order. The exchange automatically maintains a minimum size by deriving orders for professionals across a range of prices when orders at the market price are exhausted. The exchange automatically derives orders for professionals to join with market-improving orders when the market-improving orders are less than the minimum market size.

10. 2001/0034695 A1 Wilkinson

U.S. Patent Pub. No. 2001/0034695 A1 was filed on March 2, 2001 and published on October 25, 2001 and relates to:

A method and system for facilitating tangible valuation of intellectual property assets. The method comprises providing a centralized intellectual property market accessible to others in which one or more financial instruments, each instrument representing an interest in at least one intellectual property asset, may be exchanged in one or more transactions for a tangible value. The market may comprise means for accepting bids from one or more first parties interested in acquiring one or more financial instruments, means for accepting asking positions from one or more second parties interested in receiving value in exchange for the one or more financial instruments, and means for matching the bids and asking positions and facilitating transactions between the first and second parties. The market enables methods for acquiring and selling shares in intellectual property assets, for computing the value of business entities by taking into account the value of intellectual property assets owned by the entities, and for creating mutual funds based upon shares in intellectual property assets.

11. 2001/0042036 A1 Sanders

U.S. Patent Pub. No. 2001/0042036 A1 was filed on January 25, 2001 and published on November 15, 2001 and relates to:

A method and system for investing in customizable investment products utilizes a retail distributor platform with a retail customer interface coupled to an exchange platform and a product market maker platform also coupled to the exchange platform. An investor is allowed to access the exchange platform and enter a selection of at least one customizable investment product from a list of such products displayed for the investor. Upon receipt of the investor's selection, the investor is prompted to customize the product by entering a selection of terms for the product from a menu of terms displayed for the investor. A pricing engine of the exchange platform calculates the best price quote for the customized investment product on the basis of input from a plurality of competing product market makers and sends the price quote to the investor. Upon receipt of the investor's acceptance of the price quote, the exchange platform executes a trade for the investor based on the acceptance.

12. 2001/0044771 A1 Usher et al.

U.S. Patent Pub. No. 2001/0044771 A1 was filed on May 16, 2001 and published on November 22, 2001 and relates to:

Electronic trading systems and methods which provide users with the opportunity to trade financial instruments such as equities, foreign

exchange, bonds, and swaps. Swaps may be defined using specialized electronic swap term sheets. A user who proposes a swap may select other users and invite them to bid on the swap. The system may initiate an auction for a proposed swap. Bidding users may bid until the swap auction is complete. The swap may be confirmed, and swap terms downloaded to a user's risk management or back office software.

13. 2002/0002530 A1 May

U.S. Patent Pub. No. 2002/0002530 A1 was filed on May 16, 2001 and published on January 3, 2002 and relates to:

Facilitating efficient negotiations of trade terms and the generation of an electronic trade ticket in the trading of financial instruments. The negotiation process is preferably conducted through a secure online chat program using point-to-point messaging, though the negotiations can take place using the tradition exchanges of phone calls and faxes outside of the confines of an electronic trading system. Once the trade terms have been agreed upon by both parties, then the parties enter an electronic trading system in accordance with the present invention to select the traded financial instrument and generate an electronic trade ticket with can be stored by the trading system and/or the each of the trading parties.

14. 2002/0016760 A1 Pathak

U.S. Patent Pub. No. 2002/0016760 A1 was filed on July 10, 2001 and published on February 7, 2002 and relates to:

An efficient method for trading multiple dissimilar products. A method and apparatus for implementing a mechanism by which a combination of products may be exchanged among market participants. The market participants use an online/computerized auction/bidding system to trade their products. For businesses trying to dispose products, this type of mechanism will result in higher revenue for the seller and at the same time satisfies the buyer. For businesses trying to acquire products, this type of mechanism will result in lowering the cost of procuring products and at the same time satisfies sellers.

15. 2002/0099651 A1 May

U.S. Patent Pub. No. 2002/0099651 A1 was filed on November 8, 2001 and published on July 25, 2002 and relates to:

A credit monitoring system in an electronic trading system forms a complex check to determine if two particular counterparties will except each other for a particular trade based upon their respective predefined credit preferences. In accordance with an embodiment, credit preferences imputed by each counterparty with regard to the other counterparty are referenced to determine the trade eligibility of either party with respect to the other for a particular financial transaction instrument. Indication of whether a counterparty can enter into the proposed trade is conveyed to the respective trader, preferably using a color coding scheme in which various colors represent the relevant credit status with regard to the viewing trader. The complex check performed by the system may be embodied in a simple yes/no statement, in terms of maturity of a particular financial instrument, or in terms of a risk quotient (i.e., risk equivalent or RQ) initially determined by the system, though modifiable by the trader.

16. 2002/0116317 A1 May

U.S. Patent Pub. No. 2002/0116317 A1 was filed on June 11, 2001 and published on August 22, 2002 and relates to:

An anonymous trading system which enables derivative dealers to setup credit preferences based upon their own models and provides counterparties, end-users and dealers with the option of choosing to remain anonymous during a derivative trading bidding process. Additionally, the systems and methods restrict derivative trading activity with counterparties where there is an existing banking relationship. Using the system and methods, end-users will be able to obtain prices from multiple dealers without the problems inherent in using a voice-based system by utilizing an electronic reverse auctioning process to anonymously obtain derivative trading bids simultaneously from one or many participating derivative dealers.

17. 2002/0128955 A1 Brady et al.

U.S. Patent Pub. No. 2002/0128955 A1 was filed on October 30, 2001 and published on September 12, 2002 and relates to:

A computer network and method for electronically trading derivatives. The system includes networks and methods where a control or network managing station in the network acts as a facilitator for the market makers and subscribers to make a trade at an Exchange. In another embodiment the network managing station consummates the trade between a market maker and a subscriber by matching binding quotes and orders and clears the trade at an Exchange. The computer network for electronically trading

derivative comprises: (a) network managing station; (b) one or more market maker stations; (c) one or more subscriber stations; (d) one or more Exchanges. The network managing station connects market makers and subscribers for making real time indicative quotes, issuing requests for quotes, obtaining binding quotes and wherein the market maker and subscriber are in communication with an Exchange for sending binding quotes and orders to the Exchange for clearing and confirming transactions.

18. 2002/0138390 A1 May

U.S. Patent Pub. No. 2002/0138390 A1 was filed on October 12, 1998 and published on September 26, 2002 and relates to:

A subject-based addressing scheme comprising a four-part subject code that includes a source field, a class field, a symbol field, and a currency field. The four-part subject code is derived by systematically dividing the perimeters, terms, and conditions of the various derivative instruments into four discreet parts. The source field identifies the source of the information. The class field identifies a principal product class into which the financial instrument falls. The symbol field provides the underlying structure of the derivative instrument, thus, is the principal code used to define each instrument. For each class, an identified list of perimeters are included in the symbol field for defining the derivative instrument. The currency field provides the currency code of the instrument.

19. 2002/0156719 A1 Finebaum et al.

U.S. Patent Pub. No. 2002/0156719 A1 was filed on November 15, 2001 and published on October 24, 2002 and relates to:

An Internet based real-time interactive electronic trading system for broadcasting quotes, usually bid and ask prices, for high-yield corporate bonds to buyers and sellers in a fully encrypted manner. Further, it processes orders and executes trades between clients. In addition to fully automating the entire high yield bond trading process, the system maintains a full audit trail of every event in the trading process. The system permits direct but anonymous trading which permits both buyers and sellers to see the price at which they will trade and avoids the need, and cost, for an intermediary. It allows the sale of municipal Bonds in an anonymous and transparent market and allows the purchaser of Municipal Bonds to contemporaneously insure their Bond purchase from default electronically through a municipal bond insurance provider, such as MBIA Insurance Corporation, when making the purchase. The system permits

direct but anonymous trading of Convertible debt and Emerging Market Debt as well as providing transparency and liquidity not previously attainable in those markets.

20. 2002/0169703 A1 Lutnick et al.

U.S. Patent Pub. No. 2002/0169703 A1 was filed on December 18, 1998 and published on November 14, 2002 and relates to:

A data processing system for implementing transaction management of auction-based trading for specialized items such as fixed income instruments. The data processing system provides a highly structured trading protocol implemented through a sequence of trading paradigms. The system employs a distributed computer processing network linking together a plurality of commonly configured program controlled workstations. The protocol and its program controlling logic enhances trading efficiency, rewards market Makers, and fairly distributes market opportunity to system users.

21. 2002/0174055 A1 Dick et al.

U.S. Patent Pub. No. 2002/0174055 A1 was filed on May 18, 2001 and published on November 21, 2002 and relates to:

A system, method and computer program product for providing a trading exchange are disclosed. A request for conducting trade of a security is received from a user. The security associated with requested trade is evaluated to generate a derivative security. A trade is then executed for the user using the derivative security. Information relating to the executed trade is captured utilizing a network so that the captured information can be utilized to adjust an account of the user in accordance with the executed trade.

22. 2003/0004853 A1 Ram et al.

U.S. Patent Pub. No. 2003/0004853 A1 was filed on June 28, 2001 and published on January 2, 2003 and relates to:

An interactive graphical front end system for use in trading securities provides a GUI display where buy and sell orders at specific prices for any selected security at any instant in time are displayed, and where the data is displayed for more than one market trading participant. The graphical front end is used by any trader who buys and sells securities in real time;

the graphical interface permits the use of active cells on the display to instruct and complete a buy or sell order of any security at any price, at any instant in time when the data for that security is being displayed. Appropriate protocols are employed, along with the necessary translators, for transparent trading action from the viewpoint of the trader; who is able to track his holdings and cash position at any instant in time.

23. 2003/0023536 A1 Hollerman et al.

U.S. Patent Pub. No. 2003/0023536 A1 was filed on July 25, 2001 and published on January 30, 2003 and relates to:

A method of displaying option market information including establishing a communication link between a member computer and a central computer, accessing option trading data from the central computer through the member computer, and inputting at least one signal to the member computer. The signal represents either an underlying asset symbol or an option class symbol of an underlying asset. The method further includes generating a display page listing option trading information for a plurality of option series relating to at least one of the entered underlying asset symbol and the entered option class symbol, and displaying the plurality of option series on the display page such that the option series having a strike price approximately equal to the current trading price of the underlying asset is centrally positioned on the display page. Additionally, a strike price and a first date indicator can be input and the display page can list trading information for the entered option and plurality of option series having at least a second expiration date, the plurality of option series extending over a range of strike prices, the range centrally positioned at the current trading price of the underlying stock, the plurality of option series relating to the at least one of the entered underlying asset symbol and the entered option symbol. A further method of the invention includes generating a display page listing option trading information for a month entered for an underlying asset. A still further method of the invention includes generating a display page listing option trading information for a strike price entered for an underlying asset.

24. 2003/0028476 A1 Jenkins et al.

U.S. Patent Pub. No. 2003/0028476 A1 was filed on August 2, 2002 and published on February 6, 2003 and relates to:

A method and system of trading derivatives of various items includes an electronic marketplace configured to accept requests to purchase derivatives and requests to sell derivatives. The marketplace is configured

to match requests to purchase with requests to sell when certain criteria are similar to within predetermined limits. Available derivatives include futures contracts, put options, and call options. The derivatives allow one to purchase rights in an item prior to the actual delivery of the item. In addition, the derivatives may be traded to other parties. The use of such derivatives also enables entities to negotiate the prices for various goods and services that were previously not readily negotiable in the past.

25. 2003/0033212 A1 Sandhu et al.

U.S. Patent Pub. No. 2003/0033212 A1 was filed on March 22, 2002 and published on February 13, 2003 and relates to:

A system and method that enables users, such as institutional investors and financial institutions, to interactively engage in capital market transactions, including the trading of Over-the-Counter financial products, via the Internet (including the World Wide Web). The system includes a variety of servers, applications, and interfaces that enable users to interactively communicate and trade financial instruments among one another. Interactive communications supported by the system include: requesting price quotes, monitoring and reviewing quote requests, issuing price quotes, monitoring and reviewing price quotes, negotiation between users, acceptance of price quotes, reporting, portfolio management, analysis of financial information and market data, and communications among users via an automated processor. Such automated communications enable connectivity with users' internal, back-end systems to execute automated, straight-through processing, including transaction pricing, payment scheduling and journaling, derivatives trading, trade confirmation, and trade settlement.

26. 2003/0061148 A1 Alavian

U.S. Patent Pub. No. 2003/0061148 A1 was filed on July 16, 2002 and published on March 27, 2003 and relates to:

A financial derivative exchange with guaranteed settlement comprising: an electronic trading forum wherein derivatives are actively traded between market makers and investors; means for investors to open and close positions in the electronic trading forum; means for market makers to open and close positions in the electronic trading forum; means for guaranteed settlement of positions thereby reducing the risk of default of the investor or market maker; and, means for inputting market information into the electronic trading forum so that the values of underlying securities are accurate. Also provided is a method for trading financial derivatives over

an exchange having guaranteed settlement comprising: providing an electronic trading forum wherein derivatives are actively traded between market makers and investors; providing means for investors to open and close positions in the electronic trading forum; providing means for market makers to open and close positions in the electronic trading forum; providing means for guaranteed settlement of positions thereby reducing the risk of default of the investor or market maker; and, providing means for inputting market information into the electronic trading forum so that the values of the underlying securities and commodities are accurately reflected in the value of the derivatives.

27. 2003/0083978 A1 Brouwer

U.S. Patent Pub. No. 2003/0083978 A1 was filed on May 24, 2002 and published on May 1, 2003 and relates to:

A method of and system for terminating or assigning outstanding OTC derivative transactions between a plurality of financial institutions (banks) is described. The system comprises: a processing station arranged to receive transaction data describing a plurality of transactions from a plurality of banks via the Internet. The processing station comprises: a linking module for linking together different versions of the same transaction received from different parties (banks) to that transaction; an analysis module for determining a set of linked transactions between a plurality of different banks, wherein each bank in the set has both debts and claims towards other banks in the set; a calculation module arranged to calculate an aggregated value of each set of linked transactions and arranged to select the set of linked transactions which has an aggregated value within bank-specified tolerance limits acceptable for executing a termination; and an execution module for executing a termination or assignment of the selected set of linked transactions.

28. 2003/0093360 A1 May

U.S. Patent Pub. No. 2003/0093360 A1 was filed on June 10, 2002 and published on May 15, 2003 and relates to:

An internet-protocol based anonymous trading system which enables traders to identify bids and offers which they are eligible to trade based upon a color coded methodology which gives the trader credit preference information about the potential counterparty while still maintaining the anonymity of the potential counterparty. To that end, each bid or offer is prescreened against all possible counterparties' credit information in the system and each counterparty sees a unique color coded trading interface

based upon their particular credit preference combinations and the others in the system. The system then shows all prices in the system, and the color-coding tells the trader which prices he is able to trade, and also shows him the full depth of the market, including those the trader is unable to trade.

29. 2003/0097328 A1 Lundberg et al.

U.S. Patent Pub. No. 2003/0097328 A1 was filed on October 24, 2002 and published on May 22, 2003 and relates to:

A separate virtual derivative instrument used in the matching process of an automated exchange system. The reference instrument, i.e. the instrument in which derivative contracts are traded, is then preferably displayed together with the hedged derivative instruments. The reference instrument, i.e. the underlying contract, is presented with a price. The matching of the virtual hedged derivative contract can take place in a matching module of the automated exchange system. The trade can subsequently be captured in a separate module of the system where the combined deal is formed. When a trade in a virtual hedged derivative instrument is matched in the matching process of the system, the match is reported to a subsequent deal capture module where the corresponding different deals of the virtual hedged derivative contract the reference instrument are formed. The deals formed in the deal capture module do not need to be matched, since the number of contracts and the price can be deduced from the information relating to the virtual hedged derivative contract.

30. 2003/0101125 A1 McGill et al.

U.S. Patent Pub. No. 2003/0101125 A1 was filed on June 5, 2001 and published on May 29, 2003 and relates to:

A derivative security whose value is determined by whether an underlying instrument will trade above or below a given price at or by a given time. The price of the underlying instrument in the inventive instrument must move a certain amount in a certain direction in a limited amount of time. If it does, that trade yields a fixed amount of money for the acceptor of the contract (510, 545). If it does not, that acceptor loses the premium lie paid for the contract (510, 545.

31. 2003/0115128 A1 Lange et al.

U.S. Patent Pub. No. 2003/0115128 A1 was filed on April 2, 2002 and published on June 19, 2003 and relates to:

> Methods and systems for replicating derivatives strategies and for trading derivatives strategies in a demand-based trading market are described. In one embodiment, a set of contingent claims are created to replicate a derivatives strategy. One or more parameters of a contingent claim in the replication set may be determined as a function of one or more parameters of a derivatives strategy and an outcome of the event. An investment amount for a contingent claim in the replication set may be determined as a function of one or more parameters of the contingent claim and a total amount invested in a demand-based auction. In other embodiments, derivatives strategies and/or financial products are enabled to be traded in a demand-based auction and are offered to customers and/or traded in the auction. In another embodiment, a derivatives strategy is replicated by a set of one or more digitals or digital options by determining one or more parameters of the digitals or digital options in the replication set as a function of one or more parameters of the derivatives strategy.

32. 2003/0216932 A1 Foley

U.S. Patent Pub. No. 2003/0216932 A1 was filed on November 7, 2002 and published on November 20, 2003 and relates to:

> Systems, methods, and computer programming for transactions of financial interests without disclosing the existence of the proposals or all or certain terms of thereof at one or more stages of the proposal or the transaction. The invention is suited to, among other things, buying and or selling of large blocks of financial interests such as stocks, bonds, futures contracts, commodities, derivatives, options, and the like, without revealing in the market place that large quantities of the interests are being offered or bid upon, and without revealing the identity of the offering or bidding party or the terms upon which trades are proposed. In matching proposed transactions, systems according to the invention may give precedence to quantity over other terms, such as price or the order in which proposals are received by the system.

33. 2003/0220868 A1 May

U.S. Patent Pub. No. 2003/0220868 A1 was filed on April 7, 2003 and published on November 27, 2003 and relates to:

> A switch engine module enables advantageous management of a risk portfolio. The switch engine receives interest rate risk portfolios from a plurality of traders, and for each prospective trader, provides available switches based on positions in other counterparty portfolios that offset the viewing traders' positions. The offsetting positions are encoded with credit preference information in order to identify eligible trades based on both counterparties credit preferences. The credit preferences of the participating traders can be taken in consideration in making switches.

34. "Combining Networks Intelligently- Case Study" <http://www.expresscomputeronline.com/cgi-bin/ecprint/MasterPFP.cgi?doc=>

The reference "Combining Networks Intelligently- Case Study" relates to the Stock Exchange, Mumbai, which combined three separate communications channel networks: LAN, WAN, and VSAT. It combined these networks in to a single Ethernet-based core backbone with the help of an intelligent switching architecture.

35. "Electronic Trading> Electronic Trading Newsflashes" <http://www.wallstreetandtech.com/showArticle.jhtml?articleID=14706752>

The reference "Electronic Trading> Electronic Trading Newsflashes" relates to the South Financial Group based in Hopkins, MN, which is converting to InTrader's ASP 9.0 Web version, utilizing the system's investment portfolio, funding, safekeeping and interest-rate swap derivatives modules, as well as online reporting and analysis via InTrader's secure web portal.

36. **"Electronic Trading> Electronic Trading Newsflashes" <http://www.wallstreetandtech.com/showArticle.jhtml?articleID =16506467>**

The reference "Electronic Trading> Electronic Trading Newsflashes" relates to Swiss-German futures exchange Eurex which signed a software deal with Chicago-based Trading Technologies that will provide U.S. Treasury-bond futures traders with direct access to the new Eurex US futures exchange.

37. **"Orc Software" <http://www.orcsoftware.com/Products/ExNetPIPNetwork.htm>**

The reference "Orc Software" relates to the Orc ExNet network service which represents a cost effective solution to trade on various markets via brokers. Once connected, the customer can access all markets supported by the broker partners without the need for add-on investments to reach additional markets. The ExNet network is a managed network service that is proactively supported and monitored. The "Orc Software" reference also relates to the Orc Futures application, specifically designed for futures traders, which offers a comprehensive overview and enables fast execution of complex strategies with minimal input.

38. **"OTC Distribution" <http://www.sungard.com/products_and_services/stars/panorama/solutions/panaramaotcdistribution.htm>**

The reference "OTC Distribution" relates to Panorama EQN which connects sales teams and dealers on a network designed for OTC Derivatives Trading, and can also be extended to connect customers to the financial organization. The system handles, and routes, customer requests for firm quotes, price negotiation and dealing in

OTC derivatives. Traders are also able to publish indicative quotes, automate quoting using proprietary or third party pricing models and to manually change quotes.

39. "Silicon Valley Biz Ink: The voice of the valley economy" <http://biz.yahoo.com/prnews/031124/nym103_1.html>

The reference "Silicon Valley Biz Ink: The voice of the valley economy" relates to NYFIX and its multiple data centers and extensive network of electronic circuits that link industry participants for electronic trade communication and provides access to the global equities and derivatives financial markets.

40. "Trading Technologies International, Inc./The X_TRADER Platform" <http://www.tradingtechnologies.com/blue_xtrader.html

The reference "Trading Technologies International, Inc./The X_TRADER Platform" relates to the X_TRADER and X_TRADER Pro software trading screen front-end software which enables traders to trade via the web or any remote connection. TradingTechnologies' high-performance connections to the major third-party exchanges enable traders to trade the world's leading electronic futures exchanges in real-time. Access to CME, CBOT, Eurex, LIFFE, Euronext, Xetra and NQLX, with multiple users is supported.

41. "onExchange Selects Exodus to Host Online Derivatives Exchange; Leading Online Derivatives Exchange Optimizes Network Performance by Selecting Leader in Complex Internet Hosting", Business Wire, November 7, 2000

The reference "onExchange Selects Exodus to Host Online Derivatives Exchange; Leading Online Derivatives Exchange Optimizes Network Performance by Selecting Leader in Complex Internet Hosting" relates to an announcement by

onExchange that Exodus Communications will be hosting onExchange's online derivatives exchange.

42. "e-Finance: Banks Plan Trading Network for Dollars 52 Trillion Derivatives", Guardian, April 11, 2000

The reference "e-Finance: Banks Plan Trading Network for Dollars 52 Trillion Derivatives" relates to the implementation of SwapsWire, an electronic system for trading set up by Chase Manhattan, Citigroup, Deutsche Bank, JP Morgan, Morgan Stanley Dean Witter and Warburg Dillon Read, for trading interest rate derivatives by computers.

43. "Leading Derivative Dealers Announce Swapswire – A Pioneering Interest Rate Derivatives Electronic Dealing Network", Business Wire, April 10, 2000

The reference "Leading Derivative Dealers Announce Swapswire – A Pioneering Interest Rate Derivatives Electronic Dealing Network" relates to the implementation of SwapsWire, an electronic system for trading set up by Chase Manhattan, Citigroup, Deutsche Bank, JP Morgan, Morgan Stanley Dean Witter and Warburg Dillon Read, for trading interest rate derivatives by computers.

44. "Electronic Derivatives Exchanges: Implicit Mergers, Network Externalities, and Standardization. (Futures Markets in the 21st Century)", Quarterly Review of Economics and Finance, Vol. 35, No. 2, page 163, Summer 1995

The reference "Electronic Derivatives Exchanges: Implicit Mergers, Network Externalities, and Standardization. (Futures Markets in the 21st Century)" relates to using the economic theory of network externalities to explore the possibility of consolidation and growing market power in the exchange-traded derivatives industry. A

definition of implicit mergers between exchanges is offered. It is argued that electronic exchange structure will serve as the blind from which multinational mergers between existing exchanges will emerge. Economic equilibrium should entail lower pricing of electronic exchanges services initially, followed by heightened liquidity and above marginal cost pricing later. The latter will be enabled through cartelization and implicit mergers. Evidence is provided that such merger activity has begun over the past year or so, with "international linkage" as the disguise and electronic trading facilities as the vehicle.

45. "Derivatives Drive New Network (Special Advertising Section: Global Finance & Investment)", Barron's, Vol. 71, No. 44, page 36, November 4, 1991

The reference "Derivatives Drive New Network (Special Advertising Section: Global Finance & Investment)" relates to Globex, an electronic trading network, which will offer trading in futures on interest rates and foreign exchanges, as well as stock indexes on an after hours basis from whatever exchange is closed at any given moment.

46. "SURVEY- DERIVATIVES 2000: Working Towards a Seamless Link: GLOBAL PROTOCOL by Arkady Ostrovsky: A Project Aimed at Automating the Flow of Information Across the Entire Derivatives Network Will Deal Initially Interest Rate Swaps, With Other Products Being Incorporated Into the Standard Over Time", Financial Time UK, June 28, 2000

The reference "SURVEY- DERIVATIVES 2000: Working Towards a Seamless Link: GLOBAL PROTOCOL by Arkady Ostrovsky: A Project Aimed at Automating the Flow of Information Across the Entire Derivatives Network Will Deal Initially Interest Rate Swaps, With Other Products Being Incorporated Into the Standard Over Time"

relates to Financial Products Mark-up Language (FpML), an internet software language aimed at setting a common standard, or protocol, for electronic dealing in derivatives, developed by JP Morgan and PwC.

47. "Creditex Widens Access (Internet-Based Credit Derivatives Trading Network Creditex Introduces Wireless Access to its Online Trading Room)", Financial News, May 29, 2000

The reference "Creditex Widens Access (Internet-Based Credit Derivatives Trading Network Creidtex Introduces Wireless Access to its Online Trading Room)" relates to Creditex, an internet-based credit derivatives trading network for institutional investors, which introduced wireless access to its online trading room.

48. "Morgan Buying Into Network for On-Line Security Trades (JP Morgan & Co to Acquire a 20% Interest in Archipelago Holdings LLC, Dollar Amount Invested Not Disclosed; Morgan Announced Earlier This Week That it and Price-Waterhouse-Coopers had Developed and Launched a Protocol to Support Derivatives Trading Over the Internet", American Banker, Vol. 164, No. 111, Page 1, June 11, 1999.

The reference "Morgan Buying Into Network for On-Line Security Trades (JP Morgan & Co to Acquire a 20% Interest in Archipelago Holdings LLC, Dollar Amount Invested Not Disclosed; Morgan Announced Earlier This Week That it and Price-Waterhouse- Coopers had Developed and Launched a Protocol to Support Derivatives Trading Over the Internet" relates to JP Morgan's intention to acquire a 20% interest in Archipalego, an electronic communications network for financial communications.

B. The Claimed Subject Matter is Patentable Over the Cited References

The claimed subject matter of the above identified U.S. Patent application is patentable over these references because none of these references discloses a

computer network system for trading derivatives as claimed. The claimed computer network system includes: (a) a network managing station; (b) one or more market maker stations; (c) one or more subscriber stations; (d) one or more Exchanges: wherein the network managing station connects market makers and subscribers for providing real time indicative quotes, issuing requests for binding quotes, displaying the requests for binding quotes on t least some of the subscribers are in communication with an Exchange for sending binding quotes and orders to the Exchange for clearing and confirming transactions; and wherein the network managing station generates indicative quotes for combination products.

In addition, the above cited references fail to disclose a method for electronically trading derivative instruments as claimed. The claimed method includes: receiving a plurality of indicative quote data sets from a plurality of market makers; receiving a request for a non-binding quote for a combination of selected ones of the corresponding derivatives; generating a combination non-binding quote based on the plurality of indicative quote data sets; transmitting the generated combination non-binding quote to at least one market participant over a communication network; receiving a request for binding quote for the combination of selected ones of the corresponding derivative instruments from at least one market participant over a communication network; transmitting the request for binding quote over a communication network to at least one market maker; receiving a binding quote in response to the transmitted request for binding quote; and, transmitting the binding quote to the market participants.

In an alternative claim also not disclosed by the above cited references, the clamed method includes: receiving indicative quote data sets from market makers for a

plurality of option contracts, wherein the indicative quote data sets comprises at least bid and ask non-binding prices for the plurality of options contracts; providing non-binding quotes to market participants for specific combinations of options contracts based on the received indicative quote data sets; receiving requests from market participants for binding quotes for the specific combinations of options contracts; and requesting market makers to provide binding quotes for the specific combinations of options contracts.

In another alternative claim also not disclosed by the above cited references, the clamed method includes: receiving indicative quote data sets from market makers for a plurality of option contracts, wherein the indicative quote data sets comprise at least bid and ask non-binding prices for the plurality of options contracts; analyzing the received indicative quotes to eliminate crossed quotes and responsively providing non-binding quotes to market participants for specific combinations of options contracts based on the received indicative quote data sets, wherein the provided non-binding quotes are quotes that are non-crossed; receiving requests from market participants for binding quotes for the specific combinations of options contracts; and requesting market makers to provide binding quotes for the specific combinations of options contracts.

In another alternative claim also not disclosed by the above cited references, the clamed method includes: receiving indicative quote data sets from market makers for a plurality of option contracts, wherein the indicative quote data sets comprises at least bid and ask non-binding prices for the plurality of options contracts; receiving spread parameters; providing non-binding quotes to market participants for specific combinations of options contracts based on the received indicative quote data sets and

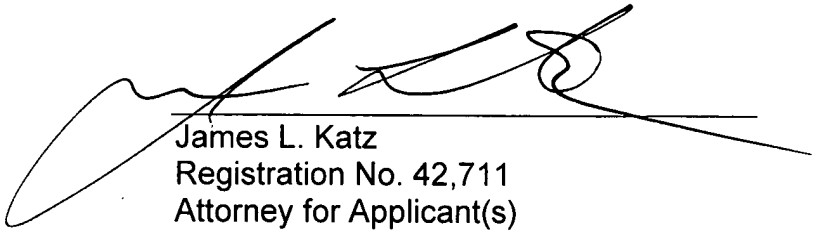
the spread parameters; receiving requests from market participants for binding quotes for the specific combinations of options contracts; requesting market makers to provide binding quotes for the specific combinations of options contracts; and archiving quote generation data used to provide the non-binding quotes to market participants.

In another alternative claim also not disclosed by the above cited references, the clamed method includes: receiving a request for a binding quote for combination of selected derivative instruments from at least one market participant over a communication network; transmitting the request for binding quote over a communication network to at least one market maker; displaying to the market maker the market maker's indicative quote, and the corresponding aggregate best indicative quote; receiving a binding quote in response to the transmitted request for binding quote; and transmitting the binding quote to the market participants.

CONCLUSION

It is therefore requested that the above-identified application be made "special" by reason of a pre-examination search provided by Applicants pursuant to 37 CFR §1.102(a) & (d) and MPEP § 708.02 (VIII).

Respectfully submitted,



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